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TRADE AND DEVELOPMENT BOARD

Seventeenth session

SUMMARY RECORD OF THE 923rd MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 21 October 1977, at 3 p.m.

President: Mr. KLEPPE (Iceland)

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Examination of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the current evolution and may be needed in the rules and principles governing international economic relations and UNCTAD's necessary contribution to a New international development strategy for the Third United Nations Development Decade (continued)

Assessment of the progress made towards the establishment of the new international economic order (General Assembly resolution 33/193) (continued)

Contribution of UNCTAD to the preparation of the new international development strategy (General Assembly resolution 33/193) (continued)

Interdependence of problems of trade, development finance and the international monetary system (continued)

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(a) Reconciliation of activities in the regional commissions

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Technical Committee II

OTHER PARTICULAR MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT (Agenda item 9) (continued):

(b) PROGRESSIVE DEVELOPMENT OF THE LAW OF INTERNATIONAL TRADE: TWELFTH ANNUAL REPORT OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (UNCITRAL) (TD/B/760 - A/34/17)

9. Mr. BORISOV (Union of Soviet Socialist Republics) reminded the Board that the question had been included in the agenda at the request of his delegation. At its twelfth session, UNCITRAL had considered several questions which directly concerned the activities of UNCTAD, in particular the legal implications of the new international economic order. During the discussions, two different approaches to the problem had emerged. According to the first, with its country shared, the Commission should give priority attention to such questions of relations between States - where such relationships were connected with international trade - as the principle of non-discrimination, the principle of most-favoured-nation treatment and the democratic and equitable basis of such relationships in counterweight to the policies of hegemonism and the subordination of other States. His Government considered that UNCITRAL's programme of work with regard to the new international economic order should be a flexible one, so that it could be modified, where required, to take into account the activities of other international organizations, in particular of the United Nations system.

10. The other approach, a purely formal one in his view, was that the Commission should not touch upon the question of relations between States. His delegation underlined the importance of the most-favoured-nation principle in international trade relations, which had been recommended at the first session of the Conference and set forth in its Final Act as the General Principle Eight. The most-favoured-nation clause appeared in most trade treaties and agreements between States, especially between States having different economic and social systems. In spite of the general recognition of most-favoured-nation treatment as a universal principle in international economic relations, in the foreign trade policy of a number of developed market-economy countries there were deviations from the generally recognized norm which brought about an element of discrimination. These trends were not to be bypassed by UNCTAD since they touched upon the interests of all States participating in international trade.

11. The PRESIDENT suggested that the Board should take note of the report of UNCITRAL on its twelfth session and the comments made thereon.

12. It was so decided.

(c) TRADE AND ECONOMIC ASPECTS OF DISARMAMENT (continued)

13. Mr. BORISOV (Union of Soviet Socialist Republics) pointed out that the arms race was continuing and becoming a still more dangerous phenomenon, though during recent years very important agreements providing for the limitation of armaments had been concluded. The arms race absorbed unprecedently large financial, material and

intellectual resources and meant a heavy burden for peoples of many countries, including developing countries. It stimulated inflation in capitalist States, led to tax increases and worsened the living standards of broad masses of the population. The increase of military expenditures negatively affected all sides of the social and economic development of nations. The arms race was inconsistent with the restructuring of international economic relations on a just and equitable basis. It negatively affected international exchanges of commodities and technology, and contributed to imbalances in the international monetary system. The arms race, as had been underlined in the final document of the special session of the General Assembly on disarmament and in the Declaration of the recent Conference of Non-Aligned Countries at Havana, threatened to cause the failure of all efforts aimed at social and economic development; it could become an obstacle to the establishment of the New International Economic Order and to the solution of other important tasks confronting humanity.

14. A halt to the arms race, and measures aimed at disarmament, the transfer of large resources from military production to peaceful purposes, would undoubtedly create favourable conditions, not only for strengthening peace and international security, but also for increasing the rate of social and economic development of all nations, particularly developing countries, and for solving problems of the radical restructuring of international economic relations and the expansion of all flows of world trade.

15. The USSR and the other socialist countries were making persistent and intensive efforts to ensure the adoption of concrete disarmament measures. They were the only ones to have taken so many initiatives and made so many constructive proposals. The Soviet Union itself had proved its unfailing attachment to the ideals of peace and its firm intent to put an end to the arms race by announcing, on the thirtieth anniversary of the German Democratic Republic, a unilateral reduction in Soviet military personnel and equipment stationed in Central Europe.

16. It was also on the initiative of the USSR that the question of the trade and economic aspects of disarmament had become an item for study and discussion in various United Nations bodies. He noted with satisfaction that the Secretary-General of the United Nations had prepared a number of well-grounded reports showing that the execution of measures to stop the arms race and to start disarmament would favourably influence social and economic development and international economic relations. It was his conviction that UNCTAD was able to make a valuable contribution to the work of the Group of Governmental Experts on the Relationship between Disarmament and Development, especially when it considered the trade and development aspects of the problem of disarmament, and to perform its own research study on the influence of disarmament on world trade and development. UNCTAD, as a very important body of the United Nations Organization, should pay due attention to the trade and development aspects of disarmament with a view to stimulating the implementation of the United Nations resolutions aimed at halting the arms race and the Board should continue to give due consideration to that actual and important problem.

49. Mr. POSKREBY (Union of Soviet Socialist Republics) said that the question had been under discussion for many years but centralization had made little progress, whereas the activities of the commissions with respect to commercial, economic, scientific and technical co-operation were constantly increasing. The Soviet Union had always strongly supported the idea of decentralization because it considered that it was at the regional and subregional levels that the problems of co-operation, especially among developing countries, could be most effectively dealt with. Experience over the past few years had shown the importance of regional co-operation among the countries of a given region and their contribution to the development of international economic relations. Efforts must be intensified as the world political climate would not fail to strengthen that trend. The Board and all United Nations bodies should make a specific study of proposals in accordance with guidelines laid down by the General Assembly. The regional commissions must be enabled fully to assume their role as the principal centres for economic co-operation and development in their regions and the executive heads for development projects, at the subregional, regional and interregional levels, in accordance with the work plans within the fairview of the specialized agencies and other organizations involved. UNCTAD had a global role, the commissions had a regional role and the two commissions should co-operate with each other. Resources and staff should be transferred from central United Nations organs to the commissions without increasing the burden on the United Nations budget.

50. The PRESIDENT suggested that the Board should take note of the report by the Secretary-General of UNCTAD on decentralization of activities of the regional commissions and of the comments made thereon.

51. It was so decided.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (continued)

(c) REVIEW OF THE REQUIREMENT FOR SUMMARY RECORDS OF PLENARY MEETINGS OF THE BOARD

52. The PRESIDENT said that, after consulting the co-ordinators of the regional groups, he suggested that the Board, having examined the question of summary records of its plenary meetings, should decide to retain them at its future sessions.

53. Mr. KHLESTOV (Union of Soviet Socialist Republics) speaking on behalf of Group D, said that the reports prepared at the end of the work of the session were of excellent quality and contained a great deal of information, thus making summary records superfluous. Group D would have liked the Board to decide on an experimental basis to do without summary records for a certain time. However, if the majority of the Board wished to maintain the status quo, Group D would accept that decision.

54. The President's suggestion was adopted.